

Help with Medicare Prescription Drug Plan Costs



Medicare is a health insurance program for:

- People age 65 or older
- People under age 65 with certain disabilities
- People of all ages with End-Stage Renal Disease (permanent kidney failure)

Beginning January 1, 2006, Medicare will offer prescription drug coverage. Starting November 15, 2005, all people with Medicare can enroll in a plan that covers prescription drugs. People with limited incomes and resources (including your savings, stocks, and bonds, but not counting your home) may be able to get extra help with drug plan costs.



- Real estate (land or property) that is not your primary residence.

Items such as vehicles, wedding rings, and family heirlooms are not considered assets for purposes of the help with Medicare prescription drug plan costs.

Three groups may be eligible for help with Medicare prescription drug plan costs (income amounts are higher in Alaska and Hawaii):

- **Group 1**—People with Medicare and full Medicaid benefits with incomes at or below 100% of the Federal poverty level (\$798 per month for a single person and \$1,070 per month for a married couple in 2005).
- **Group 2**—People with Medicare and full Medicaid benefits with income above 100% of the Federal poverty level; and other people with Medicare with incomes below 135% of the Federal poverty level (\$1,077 per month for a single person and \$1,444 per month for a couple in 2005), with resources no greater than \$7,500 for a single person or \$12,000 for a married couple.
- **Group 3**—People with Medicare with incomes below 150% of the Federal poverty level (\$1,197 per month for a single person and \$1,604 per month for a couple in 2005), with resources no greater than \$11,500 for an individual or \$23,000 for a married couple.

HELP WITH MEDICARE PRESCRIPTION DRUG PLAN COSTS

Basics

This assistance is designed to provide extra help with Medicare prescription drug plan premiums, deductibles, and copayments—an average of \$2,100 a year—for people with Medicare. Both income and resources are used to determine your eligibility for this help.

Counting Income

Income is counted the same way as the rules for the Supplemental Security Income (SSI) program. Your husband's or wife's income is counted if he or she is living with you, even if he or she isn't applying for the extra help. Contact the Social Security Administration for more information on income rules.

Counting Resources

Resources are counted for you and your husband or wife living with you somewhat differently from the SSI program. Only two types of resources are considered for this extra help:

- Liquid assets (e.g., savings accounts, stocks, bonds, and other funds that could be changed to cash within 20 days).

Help for Group 1

You don't have to pay the monthly premium or the deductible. You only have small copayments of \$1 for generic drugs and \$3 for brand-name drugs. If the low-income assistance plus these copayments total \$3,600, you won't have to pay any other costs for the rest of the year.

Help for Group 2

You don't have to pay the monthly premium or the deductible. You'll have a \$2 copayment for generic drugs and a \$5 copayment for brand-name drugs. If the low-income assistance plus these copayments total \$3,600, you won't have any other costs for the rest of the year.

Help for Group 3

Your monthly premium will be less and will be based on your income. You'll be responsible for a reduced deductible of \$50 per year, and you'll be responsible for 15% of the cost of your prescriptions up to the \$3,600 out-of-pocket maximum. Once these payments plus your low-income assistance reach that maximum, you'll have a \$2 copayment for generic drugs and a \$5 copayment for brand-name drugs for the rest of the year.

Eligibility and Enrollment

Eligibility for this extra help may be determined by either the Social Security Administration or your state Medicaid office. You can apply for the extra help by:

- Completing a form Social Security is mailing to people who may be eligible.
- Applying on the Social Security website.
- Applying through events sponsored by the Social Security Administration.
- Applying through the state Medicaid office.
- Working with a local organization, such as your State Health Insurance Assistance Program (SHIP).

You, your legal representative, or your representative payee may apply for the extra help, or you may ask someone else to apply for you.

In the summer of 2005, the Social Security Administration will mail information and an application for the extra help to people who may qualify. If you get an application, it is important that you fill it out and send it back as soon as possible.

Even if you don't receive an application from SSA, you may qualify for the extra help. If you think you qualify and don't get an application, visit the Social Security website at www.socialsecurity.gov or call **1-800-772-1213** and ask for one.

When you apply, you will be asked for information about your income and resources and you will be asked to sign a statement that your answers are true. Social Security will check your information from computer records at the Internal Revenue Service and other sources. You may be contacted if more information is needed.

When your application has been processed, you will get a letter telling you if you qualify for the extra help.

Certain groups of people with Medicare will automatically qualify for this extra help and don't have to apply:

- People with Medicare and full Medicaid benefits.
- People with Medicare receiving Supplemental Security Income (SSI).
- People who belong to a Medicare Savings Program (contact your state for more information about these programs).

You will receive a notice from Medicare if you automatically qualify for this extra help. **If you don't receive a notice saying you automatically qualify, you must apply.**

Once you qualify for the extra help, you still need to enroll in a Medicare prescription drug plan.

- **If you have Medicare and full Medicaid benefits,** you need to choose and enroll in a Medicare prescription drug plan to get extra help with your prescription drug costs. If you don't enroll in a plan by December 31, 2005, Medicare will enroll you in one. Your coverage will begin on January 1, 2006. If the plan you are enrolled in does not meet your needs, you can change plans at any time.
- **If you belong to a Medicare Savings Program or get Supplemental Security Income (SSI),** you need to choose and enroll in a Medicare prescription drug plan to get extra help with your prescription drug costs. If you don't enroll in a plan by May 15, 2006, Medicare will help you enroll you in one. Your coverage will begin on June 1, 2006.
- **If you have applied for and are found eligible for the low-income assistance** and don't choose a plan by May 15, 2006, Medicare will help you enroll in a plan effective June 1, 2006.

You May Need to Know

- State Pharmacy Assistance Programs may provide extra help with drug plan costs for their members who sign up for Medicare prescription drug coverage. Contact your state program for more information.
- If you are in a long-term care facility such as a nursing home, or belong to a PACE program (Program of All-Inclusive Care for the Elderly) and enroll in a Medicare plan offering prescription drugs, you won't pay anything for prescription drugs.